

WC 03-139
Please Date Stamp & Return

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DOCKET FILE COPY ORIGINAL

June 11, 2003

VIA HAND DELIVERY

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau
P.O. Box 358145
Pittsburgh, PA 15251-5145

JUN 11 2003

Re: Application of TalkingNets Holdings, LLC and DSLnet Communications, LLC for Authorization Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Transfer Control of Certain Domestic Assets

Dear Ms. Dortch:

On behalf of TalkingNets Holdings, LLC ("TalkingNets") and DSLnet Communications, LLC and DSLnet Communications VA, Inc. (together, "DSLnet" and jointly with TalkingNets, "Applicants"), enclosed please find an original and six (6) copies of an Application for Commission approval to transfer control of certain assets from TalkingNets to DSLnet.

Pursuant to Section 63.04(b) of the Commission's rules, Applicants submit this filing as a combined domestic section 214 transfer of assets application and international section 214 transfer of assets application ("Combined Application"). Applicants are simultaneously filing this Combined Application with the International Bureau, in accordance with the Commission's rules, via its electronic filing system ("IBFS").

Also enclosed is a completed Fee Remittance Form 159 containing a VISA credit card number and expiration date for payment, in the amount of \$860.00, to the Federal Communications Commission, which satisfies the filing fee required for this Application under line 2.b of Section 1.1105 of the Commission's rules.

Marlene H. Dortch, Secretary
June 11, 2003
Page 2

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please do not hesitate to contact us if you have any questions regarding this filing.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Kathleen L. Greenan-Ramsey".

Russell M. Blau
Kathleen L. Greenan-Ramsey

Enclosures

cc: Stephen Zamansky (DSLnet)
John Philips (TalkingNets)

READ INSTRUCTIONS CAREFULLY BEFORE PROCEEDING	FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE	Approved by OMB 3060-0589 Page No <u>1</u> of <u>1</u>
(1) LOCKBOX # 358145	SPECIAL USE FCC USE ONLY	
SECTION A - PAYER INFORMATION		
(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card) Swidler Berlin Shereff Friedman, LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$860.00
(4) STREET ADDRESS LINE NO 1 3000 K Street NW		
(5) STREET ADDRESS LINE NO 2 Suite 300		
(6) CITY Washington		(7) STATE DC
		(8) ZIP CODE 20007
(9) DAYTIME TELEPHONE NUMBER (include area code) 202-424-7500		(10) COUNTRY CODE (if not in U.S.A.)
FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED		
(11) PAYER (FRN) 0004-3539-00		(12) PAYER (TIN) 13-2679676
IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)		
(13) APPLICANT NAME TalkingNets Holdings, LLC		
(14) STREET ADDRESS LINE NO 1 201 N. Front Street		
(15) STREET ADDRESS LINE NO 2 Suite 202		
(16) CITY Wilmington		(17) STATE NC
		(18) ZIP CODE 28401
(19) DAYTIME TELEPHONE NUMBER (include area code) 910-332-1805		(20) COUNTRY CODE (if not in U.S.A.)
FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED		
(21) APPLICANT (FRN) 0009-1059-90		(22) APPLICANT (TIN) 52-2203440
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID		(24A) PAYMENT TYPE CODE CUT
		(25A) QUANTITY 1
(26A) FEE DUE FOR (PTC) \$860.00	(27A) TOTAL FEE \$860.00	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID		(24B) PAYMENT TYPE CODE
		(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
SECTION D - CERTIFICATION		
(30) CERTIFICATION STATEMENT I, <u>Kathleen L. Greenan-Ramsey</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.		
SIGNATURE: <u>Kathleen L. Greenan-Ramsey</u> DATE: <u>06/11/03</u>		
SECTION E - CREDIT CARD PAYMENT INFORMATION		
(31) <input type="checkbox"/> MASTERCARD		MASTERCARD/VISA ACCOUNT NUMBER <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
<input type="checkbox"/> VISA		EXPIRATION DATE <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.		
SIGNATURE _____		DATE _____

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
TalkingNets Holdings, LLC,)	
Transferor,)	
)	
and)	
)	
DSLnet Communications, LLC)	
and)	
DSLnet Communications VA, Inc.,)	
)	
Transferees)	
)	
Application Pursuant to Section 214 of the)	File No. ITC-T/C-2003 _____
Communications Act of 1934 and)	
Sections 63.04 and 63.24 of the Commission's)	WC Docket No. 03-_____
Rules for Authorization to Transfer)	
Control of Certain Assets)	

JOINT APPLICATION

TalkingNets Holdings, LLC ("TalkingNets") and DSLnet Communications, LLC and DSLnet Communications VA, Inc (together, "DSLnet"; and together with TalkingNets, "Applicants"), through their undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Sections 1.763, 63.03, 63.04 and 63.24 of the Commission's Rules, 47 C.F.R. §§ 1.763, 63.03, 63.04, 63.24, hereby request, to the extent necessary, authority to transfer control of certain assets from TalkingNets to DSLnet.

Applicants respectfully request expedited consideration of this Application to allow TalkingNets to transfer the assets as soon as possible in accordance with the Sale Order, issued by the United States Bankruptcy Court for the Eastern District of Virginia ("U.S.

Columbia, Florida, Illinois, Maryland, Massachusetts, New York, North Carolina, Ohio, Texas, Virginia and Washington.

B. DSLnet

DSLnet Communications, LLC is a Delaware limited liability company. DSLnet Communications VA, Inc. is a Virginia corporation. Both have principal offices located at 545 Long Wharf Drive, Fifth Floor, New Haven, Connecticut 06511 and are wholly owned by DSL.net, Inc., a Delaware corporation with its principal offices located at the same address.

DSLnet holds domestic and international Section 214 authority pursuant to the Commission's rules.² DSLnet also is authorized to provide facilities-based and/or resold local exchange and interexchange telecommunications services in 50 states and local exchange service in the District of Columbia pursuant to certification, registration or tariff requirements, or on a deregulated basis. DSLnet is a non-dominant carrier that provides high-speed communications services.

II. TalkingNets Petition in Bankruptcy

On February 19, 2003, TalkingNets, Inc., the parent company of TalkingNets, and TalkingNets filed for protection under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330 with the U.S. Bankruptcy Court, Case Nos. 03-10784 and 03-10785. On April 9, 2003, the U.S. Bankruptcy Court approved the Asset Purchase Agreement between TalkingNets, Inc., TalkingNets and DSL.Net, Inc. Although the Agreement has been approved, TalkingNets continues to operate the regulated assets until all necessary regulatory approval is obtained.

¹ See File No. ITC-214-20001204-00708 (Global facilities-based and resale authority)

² See File No. ITC-214-19990716-00434 (Global facilities-based and resale authority); see also, File No. ITC-T/C-20011109-00600).

III. The Proposed Transaction

As part of the TalkingNets bankruptcy, TalkingNets, Inc. and TalkingNets (collectively "Sellers"), and DSLNet, Inc., the parent company of DSLnet, executed an Asset Purchase Agreement (the "Agreement"), whereby, among other transactions in connection with the Agreement, Sellers will sell to DSLnet certain TalkingNets assets and assign all broadband customer accounts (the "Proposed Transaction"). The assets being transferred include network equipment supporting the provision of broadband telecommunications and information services and certain end-user accounts. The TalkingNets assets and customer base to be acquired are located in the District of Columbia, Maryland, and Virginia.

The Applicants hope to consummate the Proposed Transaction as soon as all necessary government approvals are obtained, including the approval of the Commission.

IV. The Proposed Transaction Will Serve the Public Interest

The Proposed Transaction is in the public interest because it will promote the continuation of service to TalkingNets' current customers and will allow DSLnet to expand its operations in a cost-efficient manner, thereby enhancing its competitive position and ability to provide high quality services. The TalkingNets customers acquired by DSLnet will be served by a service provider with an extremely well qualified technical and operational management team. DSLnet believes that it can operate the purchased assets in an efficient and economical manner and bring a stronger financial basis to these operations. The Proposed Transaction will permit DSLnet to provide an array of high quality, economical and efficient broadband and information services, enhance competition and thus serve the public interest.

V. Information Required by Section 63.18

Pursuant to Section 63.18(e)(3) of the Commission's rules, the Applicants submit the following information in support of this Application:

(a) Name, address and telephone number of each Applicant:

Transferor

TalkingNets Holdings, LLC
201 N. Front Street, Suite 202
Wilmington, North Carolina, 28401
Tel: (910) 332-1805
Fax: (910) 332-1801

FRN: 0009105990

Transferees

DSLnet Communications, LLC
DSLnet Communications VA, Inc
545 Long Warf Drive, Fifth Floor
New Haven, Connecticut 06511
Tel: (203) 772-1000
Fax: (203) 624-3612

FRN: 0004324851

(b) Jurisdiction of Organizations:

TalkingNets Holdings, LLC is a limited liability company organized under the laws of the State of Delaware. DSLnet Communications, LLC is a limited liability company organized under the laws of the State of Delaware. DSLnet Communications VA, Inc is incorporated in the Commonwealth of Virginia.

(c) Correspondence concerning this Application should be sent to:

Stephen Zamansky
Senior Vice President & General Counsel
DSL.net, Inc.
545 Long Warf Drive, Fifth Floor
New Haven, Connecticut 06511
Tel: (203) 782-7459
Fax: (203) 624-4231

John Philips
President and CEO
TalkingNets, Inc.
201 N. Front Street, Suite 202
Wilmington, North Carolina, 28401
Tel: (910) 332-1805
Fax: (910) 332-1801

Russell M. Blau
Kathleen L. Greenan
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W. Suite 300
Washington, DC 20007
Tel: (202) 424-7500
Fax: (202) 424-7645

(d) As described in Section I above, TalkingNets and DSLnet each hold domestic and international section 214 authority.

(e) Pursuant to Section 63.18(e)(3), the Applicants seek authority to transfer control of certain assets, as described above in Section III.

(f) No response required.

(g) No response required.

(h) **Equity Ownership – Name, Address, Citizenship and Principal Business of 10% Owners:**

The Proposed Transaction will not impact the current ownership of any Applicant. The addresses of the companies listed below are set forth in Section I above or are provided below.

TalkingNets Holdings, LLC, as debtor-in-possession:

<u>Name</u>	<u>Percentage</u>	<u>Citizenship</u>	<u>Principal Business</u>
TalkingNets, Inc.	100%	U.S.	Communications

TalkingNets, Inc., as debtor-in-possession:

<u>Name</u>	<u>Percentage</u>	<u>Citizenship</u>	<u>Principal Business</u>
John Philips 201 N. Front Street Suite 202 Wilmington, NC 28401	14.5%	U.S.	Communications
Anatol Surak 7799 Glenhaven Court McLean, VA 22102	14.5%	U.S.	Communications
Charles River Ventures Bay Colony Corporate Center 1000 Winter Street Suite 3300 Waltham, MA 02451	23.01%	U.S.	Venture Capital
Venrock Associates 30 Rockefeller Plaza Room 5508 New York, NY 10112	23.96%	U.S.	Venture Capital

DSLnet Communications, LLC:

<u>Name</u>	<u>Percentage</u>	<u>Citizenship</u>	<u>Principal Business</u>
DSL.net, Inc.	100%	U.S.	Communications

DSLnet Communications VA, Inc.:

<u>Name</u>	<u>Percentage</u>	<u>Citizenship</u>	<u>Principal Business</u>
DSL.net, Inc.	100%	U.S.	Communications

DSL.net Inc:

<u>Name</u>	<u>Percentage</u>	<u>Citizenship</u>	<u>Principal Business</u>
VantagePoint Venture Partners 1001 Bayhill Drive, Suite 300 San Bruno, CA 94066	71%	U.S.	Communications

(i) Applicants certify that they are not, and following the Proposed Transaction will not be, affiliated with any foreign carrier within the meaning of Section 63.09(d) and (e).

(j) The Applicants certify that they do not seek authority to provide service to any country described in paragraphs (1) through (4) of Section 63.18(j).

(k) Not applicable.

(l) Not applicable.

(m) Not applicable.

(n) Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Applicants certify pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that no party to the Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(p) This international section 214 Application qualifies for streamlined processing pursuant to Section 63.12 because the Applicants are not affiliated with any foreign carriers; are not affiliated with any dominant U.S. carriers whose international switched or private line services the Applicants seek to resell; and do not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of switched services over private lines. This Application should therefore be granted, according to Section 63.12(a), fourteen days after the date of the public notice listing this Application as accepted for filing.

VI. Additional Information Required by Section 63.04 of the Commission's Rules

Applicants submit the following information in support of their request for Section 214 authority pursuant to Section 63.04(b) of the Commission's Rules.

(6) Description of the Transaction:

As noted in Section III above, by this Application, Applicants seek approval to consummate the Proposed Transaction.

(7) Geographic Area Description:

The Proposed Transaction involves transfer of assets by TalkingNets to DSLnet in the District of Columbia, Maryland and Virginia. DSLnet already provides broadband telecommunications services in each of these jurisdictions.

(8) Presumption of Non-Dominance and Qualification for Streamlining:

The present application qualifies for expedited processing under Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.04(b)(2)(i), because (1) the Proposed Transaction would not result in DSLnet having a market share in the interstate, interexchange market of 10 percent or more, (2) the Proposed Transaction would not result in DSLnet providing any competitive telephone exchange services or exchange access services in any geographic areas not also served by a dominant local exchange carrier that is not a party to the transaction; and (3) none of the Applicants is a dominant carrier with respect to any service. The Proposed Transaction in no way holds any potential for lessening competition since it only involves one non-dominant carrier purchasing assets from another non-dominant carrier.

(9) Other pending Commission applications:

There are no other Commission applications related to the Proposed Transaction.

(10) Special Consideration:

As described above, TalkingNets is subject to the jurisdiction of the Bankruptcy Court. In order to assure an orderly and seamless closing of this proposed transaction upon Bankruptcy Court approval, the Applicants request expedited treatment of this Application to allow approval to be received as soon as possible.

(11) Waiver requests:

None.

(12) Public Interest Statement:

As demonstrated in Section IV above, grant of this Application will serve the public interest, convenience and necessity.

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VII. CONCLUSION

Based on the foregoing, Commission approval of the proposed transfer of control of certain assets from TalkingNets to DSLnet will serve the public interest, convenience, and necessity.

Respectfully submitted this 11 day of June, 2003

By: 

Stephen Zamansky
Senior Vice President & General Counsel
DSLnet, Inc.
545 Long Wharf Drive, 5th Floor
New Haven, CT 06511

*Counsel to DSLnet Communications,
LLC and DSLnet Communications VA,
Inc.*

By: 

Russell M. Blau
Kathleen Greenan Ramsey
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007-5116
Tel: (202) 945-6940
Fax: (202) 424-7645

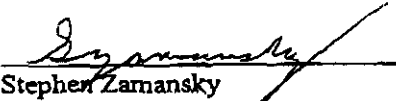
Counsel to TalkingNets Holdings, LLC

EXHIBIT A

APPLICANTS' CERTIFICATIONS

CERTIFICATION


I, Stephen Zamansky, Senior Vice President and General Counsel of DSL.net, Inc. and Vice President of DSLnet Communications, LLC and DSLnet Communications VA, Inc., hereby certify that the information in this Application as it pertains to DSL.net, Inc., DSLnet Communications, LLC and DSLnet Communications VA, Inc. is true and accurate to the best of my knowledge and that to the best of my knowledge no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.


Stephen Zamansky

Date: June 11, 2003

CERTIFICATION

I, John Philips, President and CEO of TalkingNets, Inc. and TalkingNets Holdings, LLC, hereby certify that the information in this application as it pertains to TalkingNets is true and accurate to the best of my knowledge and that to the best of my knowledge no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.


John Philips

Date. June 11, 2003

Please Date Stamp & Return

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

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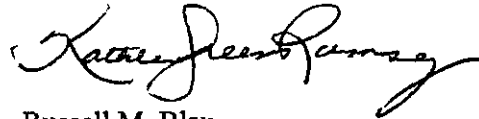
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Respectfully submitted,

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Russell M. Blau
Kathleen L. Greenan-Ramsey

Enclosures

cc: Stephen Zamansky (DSLnet)
John Philips (TalkingNets)